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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

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### Inspection Report

#### Minerals Regulatory Program

May 19, 2008

Supervisor CR

<b>Mine Name:</b> Iron Mountain	<b>Permit Number:</b> M/021/008
<b>Operator Name:</b> Palladon Ventures Inc.	<b>Inspection Date:</b> April 23, 2008
<b>Inspector(s):</b> Tom Munson	<b>Time:</b> 10:00AM-12 Noon
<b>Other Participants:</b> Greg Hawkins, Matt Florence	<b>Mine Status:</b> Inactive

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Purpose of Inspection:

The purpose of the inspection was to discuss up coming plans regarding reactivation of the mine and permitting concerns regarding this activity.

**Inspection Summary:** Arrived at the mine gate and proceeded up the south end of the lean ore dump. To the south of this dump is a small drainage where ore dump expansion would be desirable to prevent expansion of the dump to the east on the angle of repose slope. This proposed expansion within the previously disturbed area to the east within the permitted area would require a 6-acre rock catching berm to be installed to prevent rocks from rolling down the hillside.

Next, we traversed the lean ore stockpile, stopped and looked at the maintenance shop area that had been dismantled and the buildings removed. They are to be buried on top of the lean ore stockpile.

We drove off the lean ore stockpile into the Comstock pit area. We discussed the various ore zones before dropping down to the Mt. Lion pit area where there is a pit lake 10-30 deep that has drinking water quality water based on water testing by Palladon.

After the Mt. Lion pit, we drove north and looked at the reclaimed dump from 1980 and the anthill area soil borrow, where these areas were discussed regarding reclamation and a potential release.

Next, we drove to the plant area and load out facility where a substation was installed and the Railroad load out where the ore stockpile load out was discussed as being replaced with a more efficient piece of equipment.

Photos were taken to document site conditions.

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Inspection Date: April 23, 2008

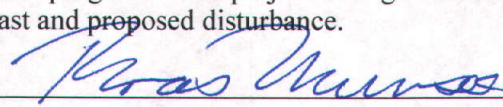
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**Conclusions and Recommendations:**

Continue to monitor the progress of the project through submittal of accurate and complete maps and plans to document past and proposed disturbance.

**Inspector's Signature**

A handwritten signature in blue ink, appearing to read "Thomas Munnos", is written over a horizontal line.

TM:pb

cc: Palladon

✓ Ed\_ginouves@blm.gov

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